

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	20576	Agenda Number	59.
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Meeting Date:	12/6/2012	Department:	Treasury
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Subject

Approve a resolution expressing the City's consent, as required by Internal Revenue Code Section 147(f), to Northeast Higher Education Facilities Corporation's loan to Hyde Park Baptist School, Inc. ,in an amount not to exceed \$15,000,000, for refinancing the cost of a secondary education facility, including classrooms and labs with a total capacity not exceeding 600 students, a dedicated two-story library, a multipurpose hall serving as an auditorium and cafeteria, administrative and support facilities, a 10,000 square foot athletic complex, including locker rooms with shower areas and restrooms, laundry facilities, weight rooms, and coaches' offices, and utilities, drainage, roads, landscaping, and parking, for facilities of the Borrower located at 11400 N. MoPac Expressway, Austin, and paying certain expenses in connection with the issuance of the loan.

Amount and Source of Funding

N/A

Fiscal Note

No fiscal note required.

Purchasing Language:	N/A
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Prior Council Action:	N/A
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For More Information:	Art Alfaro, Treasurer, Financial Services Department 974-7882
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Boards and Commission Action:	N/A
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MBE / WBE:	
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Related Items:	
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Additional Backup Information

Northeast Higher Education Facilities Corporation intends to enter a loan agreement in an aggregate amount not to exceed \$15,000,000 with Frost Bank, and loan the proceeds to Hyde Park Baptist School, Inc. in Austin, Texas. The loan will be used for: (A) refinancing the cost of (i) an approximately 62,000 square foot secondary education facility, including classrooms and labs with a total capacity not exceeding 600 students, a dedicated two-story library, a multipurpose hall serving as an auditorium and cafeteria, and administrative and support facilities, (ii) an approximately 10,000 square foot athletic complex, including locker rooms with shower areas and restrooms, laundry facilities, weight rooms, and coaches' offices and (iii) utilities, drainage, roads, landscaping and parking, all for facilities of the Borrower located at 11400 N. MoPac Expressway, Austin, Texas 78759 and (B) paying certain expenses in connection with the issuance of the Loans.

Chapter 53A, Texas Education Code permits a nonprofit corporation, acting on behalf of a city or a county, to sell bonds, make loans, or enter into leases to finance or refinance cultural and community facilities. Because the facilities being refinanced for Hyde Park Baptist School, Inc. are located within the City of Austin, the Internal Revenue Code requires that the Mayor or the City Council approve the loan.

The City of Austin is not being asked for funds and in no way will the loan be considered a debt or liability to the City. The financing does not count against the City's bonding capacity. All the expenses and repayment liability for this financing are solely an obligation of the Hyde Park Baptist School, Inc.